



POSTED: 07:29 AM PDT Jun 03, 2014 UPDATED: 07:23 AM PDT Jun 03, 2014

## Coachella Valley voters consider parcel and transaction tax proposals

### Residents of Cathedral City and Desert Hot Springs being asked to approve new taxes today

In **Desert Hot Springs**, residents will decide the fate of Measure F, a proposal to impose a \$372.68 tax on vacant parcels that are privately held throughout the city.

The city council voted in favor of placing the measure on the ballot following the declaration of a fiscal emergency, under which city hall staffing was cut by two-thirds and many remaining employees' salaries were slashed by 22 percent, according to documents posted to the Riverside County Registrar of Voters' website.

According to supporters, the funds generated from the new parcel tax would be used exclusively to pay for public safety services, including police, fire, animal control and code enforcement.

The "Yes on F" campaign states that, without the additional revenue, the city could face bankruptcy and the loss of its police department.

Opponents counter that the tax would be punitive, unfairly targeting owners of unoccupied land.

"More taxes will kill development projects," DHS resident Robert Bentley contended in campaign literature. "The value of the properties will simply drop to balance the cost of new taxes, devastating all property values."

In nearby **Cathedral City**, voters will be saying yea or nay to Measure B, which would allow for the continuation of a 1 percent sales and use tax first enacted four years ago with 57 percent voter approval.

Called the "Fiscal Emergency Tax," it's imposed primarily on retailers for every transaction involving real merchandise. The "Yes on B" camp argues the estimated \$4 million generated by the measure would ensure Cathedral City "maintains our locally controlled police and fire departments and other vital programs."

There were no listed opponents.

About 27 miles to the west, in Banning, residents today will decide Measure E, which would permit the city to continue collecting a 12 percent transient occupancy tax from hotels and motels.

In 2009, voters authorized increasing the local TOT from 6 percent to a maximum 12 percent. According to city officials, since that time, the tax has generated about \$600,000 in general fund revenue, accounting for roughly 5 percent of money available for discretionary appropriations.

Supporters argue that the tax, which is charged to hotel and motel occupants for overnight stays, is comparable to what many localities in the region impose, and cheaper than others, including Riverside, where the TOT is 13 percent.

No opponents were listed.